

**Senate File 2140 - Introduced**

SENATE FILE 2140

BY WARNSTADT

**A BILL FOR**

1 An Act relating to school finance by increasing the foundation  
2 property tax, increasing the regular program and special  
3 education support services foundation base, and including  
4 effective date and applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.1, subsection 2, paragraph b, Code  
2 2009, is amended to read as follows:

3 b. For the budget year commencing July 1, ~~1999~~ 2012, and for  
4 each succeeding budget year the regular program foundation base  
5 per pupil is ~~eighty-seven and five-tenths~~ one hundred percent  
6 of the regular program state cost per pupil. For the budget  
7 year commencing July 1, ~~1991~~ 2012, and for each succeeding  
8 budget year the special education support services foundation  
9 base is ~~seventy-nine~~ one hundred percent of the special  
10 education support services state cost per pupil. The combined  
11 foundation base is the sum of the regular program foundation  
12 base, the special education support services foundation base,  
13 the total teacher salary supplement district cost, the total  
14 professional development supplement district cost, the total  
15 early intervention supplement district cost, the total area  
16 education agency teacher salary supplement district cost,  
17 and the total area education agency professional development  
18 supplement district cost.

19 Sec. 2. Section 257.3, subsection 1, Code 2009, is amended  
20 to read as follows:

21 1. *Amount of tax.*

22 a. Except as provided in subsections 2 and 3, a school  
23 district shall cause to be levied each year, for the  
24 school general fund, a foundation property tax equal to  
25 five eight dollars and ~~forty~~ ninety-five cents per thousand  
26 dollars of assessed valuation on all taxable property in the  
27 district. The county auditor shall spread the foundation levy  
28 over all taxable property in the district.

29 b. The amount paid to each school district for the tax  
30 replacement claim for industrial machinery, equipment and  
31 computers under section 427B.19A shall be regarded as property  
32 tax. The portion of the payment which is foundation property  
33 tax shall be determined by applying the foundation property tax  
34 rate to the amount computed under section 427B.19, subsection  
35 3, paragraph "a", as adjusted by paragraph "d", if any

1 adjustment was made.

2 c. Replacement taxes under chapter 437A shall be regarded as  
3 property taxes for purposes of this chapter.

4 Sec. 3. Section 257.3, subsection 2, paragraphs a and b,  
5 Code 2009, are amended to read as follows:

6 a. Notwithstanding subsection 1, a reorganized  
7 school district shall cause a foundation property tax of  
8 ~~four~~ seven dollars and ~~forty~~ ninety-five cents per thousand  
9 dollars of assessed valuation to be levied on all taxable  
10 property which, in the year preceding a reorganization,  
11 was within a school district affected by the reorganization  
12 as defined in section 275.1, or in the year preceding a  
13 dissolution was a part of a school district that dissolved if  
14 the dissolution proposal has been approved by the director of  
15 the department of education pursuant to section 275.55.

16 b. In succeeding school years, the foundation property  
17 tax levy on that portion shall be increased to the rate of  
18 ~~four~~ eight dollars and ~~ninety~~ forty-five cents per thousand  
19 dollars of assessed valuation the first succeeding year,  
20 ~~five~~ eight dollars and ~~fifteen~~ seventy cents per thousand  
21 dollars of assessed valuation the second succeeding year, and  
22 ~~five~~ eight dollars and ~~forty~~ ninety-five cents per thousand  
23 dollars of assessed valuation the third succeeding year and  
24 each year thereafter.

25 Sec. 4. Section 425A.3, subsection 1, Code 2009, is amended  
26 to read as follows:

27 1. The family farm tax credit fund shall be apportioned  
28 each year in the manner provided in this chapter so as to give  
29 a credit against the tax on each eligible tract of agricultural  
30 land within the several school districts of the state in which  
31 the levy for the general school fund exceeds ~~five~~ eight dollars  
32 and ~~forty~~ ninety-five cents per thousand dollars of assessed  
33 value. The amount of the credit on each eligible tract of  
34 agricultural land shall be the amount the tax levied for the  
35 general school fund exceeds the amount of tax which would

1 be levied on each eligible tract of agricultural land were  
2 the levy for the general school fund ~~five~~ eight dollars and  
3 ~~forty~~ ninety-five cents per thousand dollars of assessed value  
4 for the previous year. However, in the case of a deficiency in  
5 the family farm tax credit fund to pay the credits in full, the  
6 credit on each eligible tract of agricultural land in the state  
7 shall be proportionate and applied as provided in this chapter.

8 Sec. 5. Section 425A.5, Code 2009, is amended to read as  
9 follows:

10 **425A.5 Computation by county auditor.**

11 The family farm tax credit allowed each year shall be  
12 computed as follows: On or before April 1, the county auditor  
13 shall list by school districts all tracts of agricultural  
14 land which are entitled to credit, the taxable value for the  
15 previous year, the budget from each school district for the  
16 previous year, and the tax rate determined for the general  
17 fund of the school district in the manner prescribed in  
18 section 444.3 for the previous year, and if the tax rate is in  
19 excess of ~~five~~ eight dollars and ~~forty~~ ninety-five cents per  
20 thousand dollars of assessed value, the auditor shall multiply  
21 the tax levy which is in excess of ~~five~~ eight dollars and  
22 ~~forty~~ ninety-five cents per thousand dollars of assessed value  
23 by the total taxable value of the agricultural land entitled  
24 to credit in the school district, and on or before April 1,  
25 certify the total amount of credit and the total number of  
26 acres entitled to the credit to the department of revenue.

27 Sec. 6. Section 426.3, Code 2009, is amended to read as  
28 follows:

29 **426.3 Where credit given.**

30 The agricultural land credit fund shall be apportioned  
31 each year in the manner hereinafter provided so as to give  
32 a credit against the tax on each tract of agricultural lands  
33 within the several school districts of the state in which the  
34 levy for the general school fund exceeds ~~five~~ eight dollars  
35 and ~~forty~~ ninety-five cents per thousand dollars of assessed

1 value; the amount of such credit on each tract of such lands  
2 shall be the amount the tax levied for the general school  
3 fund exceeds the amount of tax which would be levied on said  
4 tract of such lands were the levy for the general school fund  
5 five eight dollars and ~~forty~~ ninety-five cents per thousand  
6 dollars of assessed value for the previous year, except in  
7 the case of a deficiency in the agricultural land credit  
8 fund to pay said credits in full, in which case the credit  
9 on each eligible tract of such lands in the state shall be  
10 proportionate and shall be applied as hereinafter provided.

11 Sec. 7. Section 426.6, unnumbered paragraph 1, Code 2009,  
12 is amended to read as follows:

13 The agricultural land tax credit allowed each year shall be  
14 computed as follows: On or before April 1, the county auditor  
15 shall list by school districts all tracts of agricultural  
16 lands which are entitled to credit, together with the taxable  
17 value for the previous year, together with the budget from  
18 each school district for the previous year, and the tax  
19 rate determined for the general fund of the district in the  
20 manner prescribed in section 444.3 for the previous year,  
21 and if such tax rate is in excess of five eight dollars and  
22 ~~forty~~ ninety-five cents per thousand dollars of assessed value,  
23 the auditor shall multiply the tax levy which is in excess of  
24 five eight dollars and ~~forty~~ ninety-five cents per thousand  
25 dollars of assessed value by the total taxable value of the  
26 agricultural lands entitled to credit in the district, and on  
27 or before April 1, certify the amount to the department of  
28 revenue.

29 Sec. 8. EFFECTIVE DATE AND APPLICABILITY.

30 1. The sections of this Act, amending sections 257.1 and  
31 257.3, increasing the regular program foundation base and  
32 the special education support services foundation base, and  
33 increasing the foundation property tax, take effect January 1,  
34 2012, and apply to the school budget year beginning July 1,  
35 2012, and succeeding school budget years.

